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TELNO 436
OF 161145Z SEPTEMBER 86

INFO PRIORITY BUCHAREST, SOFIA, UKDEL NATO
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PAPANDREOU'S VISIT TO BULGARIA AND ROMANIA

1. SOFIA AND BUCHAREST WILL NO DOUBT REPORT THE DETAILS OF THESE VISITS (WE UNDERSTAND THAT THE GREEK EMBASSIES CONCERNED ARE HOLDING BRIEFINGS TODAY) BUT YOU MAY WELCOME SOME COMMENTS FROM HERE.

2. FOLLOWING THE BULGARIAN VISIT, THE GREEK MEDIA EXTENSIVELY PUBLICISED THE PROVISION IN THE JOINT DECLARATION THAT THE TWO COUNTRIES WILL NOT PERMIT THEIR TERRITORY TO BE USED FOR AN ATTACK AGAINST THE OTHER, AND THAT THE TWO WOULD HOLD CONSULTATIONS IN THE EVENT OF A THREAT TO THE SECURITY OF ONE OR THE OTHER. THIS IS INTERPRETED HERE AS BEING DIRECTED AGAINST TURKEY (ALTHOUGH THERE IS A PROVISO IN THE DECLARATION IS THAT THE AGREEMENT IS NOT DIRECTED AGAINST THIRD PARTIES). THE OPPOSITION PRESS HAS POINTED OUT THAT THE AGREEMENT IS AN ANOMALY SINCE GREECE AND BULGARIA ARE MEMBERS OF OPPOSED MILITARY ALLIANCES. IN A PRESS CONFERENCE IN SOFIA PAPANDREOU ADMITTED THAT THERE WAS A CONTRADICTION, BUT ARGUED THAT OTHER INTERNATIONAL DOCUMENTS WERE OVERRIDING, SUCH AS THE HELSINKI FINAL ACT. HE ADDED THAT IN ANY CASE A CONFLICT IN THE BALKANS WAS "UNTHINKABLE".

3. ON THE ROMANIAN VISIT THE PRO-GOVERNMENT PRESS HAS ARGUED THAT PAPANDREOU HAS MANAGED TO RELAUNCH THE INITIATIVE FOR A NUCLEAR FREE ZONE, BY PERSUADING PRESIDENT CEAUSESCU TO GO AHEAD WITHOUT TURKISH PARTICIPATION.

COMMENT

4. ON THE BALKAN NUCLEAR FREE ZONE IT IS UNCLEAR TO US WHETHER THE GREEKS HAVE IN FACT PERSUADED THEIR PARTNERS TO PROCEED WITHOUT TURKEY. AS THE GREEK PRESS POINTS OUT, THE ROMANIANS HAVE HITHERTO HAD DOUBTS. THE YUGOSLAVS TOO HAVE ALWAYS INSISTED ON THE INCLUSION OF TURKEY.

5. THE GREEKS CLAIM THAT THE NON-AGGRESSION DECLARATION WITH BULGARIA IS THE FIRST BILATERAL EAST-WEST AGREEMENT OF ITS KIND (AS FAR AS WE ARE AWARE OTHER BILATERAL DECLARATIONS BETWEEN INDIVIDUAL COUNTRIES REFER ONLY TO CONSULTATION IN A CRISIS). SINCE THE NEW PROVISION WOULD BE INVOKED IN THE EVENT OF AN EAST/WEST CRISIS IT SEEMS THAT GREECE, AS A MEMBER OF NATO,

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WOULD BE IN THE UNIQUE POSITION OF HAVING TO ENTER INTO BILATERAL CONSULTATIONS WITH BULGARIA. IT WOULD BE USEFUL TO HAVE THE DEPARTMENT'S VIEWS ON THE LEGAL IMPLICATIONS OF THE NEW ARRANGEMENT. PERHAPS THE GREEKS SHOULD BE ASKED TO EXPLAIN THE POSITION IN NATO?

6. PAPANDREOU'S MAIN PURPOSE IN CONDUCTING THESE HIGHLY PUBLICISED VISITS WAS TO INFLUENCE THE LEFT-WING VOTE IN GREECE PRIOR TO NEXT MONTH'S MUNICIPAL ELECTIONS. HE NO DOUBT WISHED TO COUNTER-ACT THE EFFECT OF HIS CONSERVATIVE ECONOMIC POLICIES THROUGH FLASHY FOREIGN POLICY GESTURES DESIGNED TO REINFORCE HIS SOCIALIST CREDENTIALS. PAPANDREOU NEEDS TO ENSURE THAT IN CONSTITUENCIES WHERE LEFT-WING CANDIDATES HAVE BEEN ELIMINATED IN THE FIRST ROUND, THE VOTERS BACK PASOK IN THE SECOND. IN TERMS OF RELATIONS WITH THESE TWO COUNTRIES THE VISIT PRODUCED LITTLE THAT WAS NEW. THE FOREIGN MINISTRY HAVE FROM TIME TO TIME INDICATED TO US PRIVATELY THAT THE IMPROVEMENT IN GREECE'S RELATIONS WITH ROMANIA AND BULGARIA (WHICH BEGAN WHEN KARAMANLIS WAS PRIME MINISTER) HAS REACHED THE NATURAL LIMITS DICTATED BY THE FACT THAT GREECE IS A MEMBER OF AN OPPOSED MILITARY ALLIANCE. THE GREEK POLITICAL DIRECTOR YESTERDAY DISMISSED THE BULGARIAN DECLARATION AS HAVING "NOTHING NEW" IN IT. BUT I RECALL SIR J. BULLARD ONCE REMARKING THAT GREECE WAS THE ROMANIA OF NATO. IT SEEMS THAT PAPANDREOU NOW ASPIRES TO BE THE BULGARIA AS WELL.

THOMAS

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MR THOMAS.
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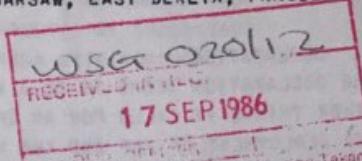
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SUMMARY

1. PAPANDREOU VISITED ROMANIA ON 10/11 SEPTEMBER. HE AND CEAUSESCU MADE PUBLIC DECLARATIONS ON DISARMAMENT AND BALKAN COOPERATION, AND AGREED IN PRINCIPLE ON A TREATY OF FRIENDSHIP AND COLLABORATION, TO BE SIGNED LATER. THE APPARENT WARMTH OF THE VISIT BELIES THE ACTUAL STATE OF BILATERAL RELATIONS.

DETAIL

2. PAPANDREOU VISITED ROMANIA ON 10/11 SEPTEMBER ACCCOMPANIED BY HIS FOREIGN MINISTER. HE HAD A SESSION OF ECONOMIC TALKS WITH THE ROMANIAN PRIME MINISTER AND TWO TETE A TETE SESSIONS WITH PRESIDENT CEAUSESCU. THESE CONCENTRATED ON BILATERAL RELATIONS, DISARMAMENT, BALKAN COOPERATION AND INTERNATIONAL AFFAIRS. THE ATMOSPHERE OF THE TALKS WAS DESCRIBED AS BEING ONE OF WARM FRIENDSHIP, UNDERSTANDING AND MUTUAL RESPECT. THEY AGREED IN PRINCIPLE ON A TREATY OF FRIENDSHIP AND COLLABORATION TO BE SIGNED LATER, ISSUED A COMMUNIQUE ON THE VISIT AND A DECLARATION ON DISARMAMENT, PEACE AND COLLABORATION IN EUROPE AND THE WORLD. CEAUSESCU ACCEPTED AN INVITATION TO VISIT ATHENS.

3. IN THEIR TOASTS AT DINNER CEAUSESCU REPEATED HIS CALL FOR A 25 PER CENT REDUCTION OVER FIVE YEARS IN CONVENTIONAL ARMS AND ULTIMATELY COMPLETE NUCLEAR DISARMAMENT. A US-SOVIET SUMMIT WOULD HAVE TO LEAD TO REAL DISARMAMENT MEASURES. HE REPEATED HIS PROPOSAL FOR UNILATERAL 5 PER CENT CUTS IN ARMS AND DEFENCE SPENDING (MY TELNO 226 REFERS) ROMANIA WANTED TO SEE A BALKAN NWFZ WITHOUT FOREIGN MILITARY BASES AND WANTED A NEGOTIATED END TO PROBLEMS BETWEEN BALKAN STATES.

4. PAPANDREOU DWELT ON THE BALKANS AND DISARMAMENT. ON THE US-SOVIET SUMMIT HE SAID THAT GOOD PREPARATIONS WERE REQUIRED FOR CONCRETE RESULTS. EVEN SMALL ADVANCES WERE WELCOME. HE WELCOMED THE 5 PER CENT CUT IN ROMANIAN DEFENCE SPENDING AND CONTRASTED IT WITH WESTERN COUNTRIES' 3 PER CENT INCREASE. ON CYPRUS HE SAID THAT GREECE SUPPORTED ALL UN INITIATIVES.

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5. ECONOMIC RELATIONS

THE COMMUNIQUE CALLED FOR SUBSTANTIAL GROWTH IN COMMERCIAL RELATIONS, PARTLY THROUGH LONG TERM CONTRACTS. AREAS OF INTEREST WERE MINING, METALLURGY, OIL EXPLORATION AND REFINING, CAR PRODUCTION, TRANSPORT AND TELECOMMUNICATIONS.

THE JOINT COMMISSION HAD AN IMPORTANT ROLE IN THIS.

6. DECLARATION

THE DECLARATION SEEMS TO BE A ROMANIAN TEXT. IN ADDITION TO OTHER THINGS IT CALLS FOR AN END TO NUCLEAR TESTING AND DEPLOYMENT OF INF AND THE NON-MILITARISATION OF SPACE. IN THE CSCE SUBSTANTIAL PROGRESS IS CALLED FOR PARTICULARLY IN THE FIELDS OF DISARMAMENT AND ECONOMIC, SCIENTIFIC AND TECHNICAL COOPERATION. THERE SHOULD BE AN END TO FOREIGN MILITARY BASES AND NWFZS ESTABLISHED IN NORTHERN AND CENTRAL EUROPE.

7. COMMENT

THE APPARENT WARMTH OF THE VISIT BELIES THE ACTUAL STATE OF BILATERAL RELATIONS. THIS VISIT HAS BEEN POSTPONED SEVERAL TIMES SINCE LAST DECEMBER PARTLY DUE TO LONG-STANDING DIFFICULTIES CONNECTED WITH THE GREEK REFUGEES IN ROMANIA FROM THE GREEK CIVIL WAR. FURTHERMORE, THE JOINT COMMISSION WAS UNABLE TO REACH AGREEMENT EARLIER IN 1986. THE GREEK AMBASSADOR, WHO HAD NOT BEEN BRIEFED ON HIS PM'S TALKS, HAS TOLD US THAT PAPANDREOU DID NOT WANT TO DISCUSS BILATERAL MATTERS, BUT SAW HIS VISIT INSTEAD AS AN OPPORTUNITY TO DISCUSS WORLD PROBLEMS WITH CEAUSESCU. HOWEVER THE ROMANIANS INSISTED ON THE INCLUSION OF BILATERAL PROBLEMS. THE GREEKS MERELY TOOK NOTE OF ROMANIAN STATEMENTS.

8. ON THE PROPOSED TREATY OF FRIENDSHIP AND COOPERATION BOTH NEAGU (DIRECTOR FOR WESTERN EUROPE MFA) AND THE GREEK AMBASSADOR HAVE CONFIRMED THAT IT IS AT PRESENT NO MORE THAN AN IDEA, WHICH WILL BE WORKED ON OVER THE COMING MONTHS. EVEN THEN IT WILL BE A POLITICAL GESTURE AIMED AT BRINGING THE TWO BLOCS CLOSER TOGETHER. IT WILL HAVE NO MILITARY SIGNIFICANCE. NEAGU CLAIMS THAT IT WILL BE SIGNED BY CEAUSESCU IN ATHENS NEXT SPRING. GIVEN BILATERAL PROBLEMS NEAGU IS ALMOST CERTAINLY BEING OPTIMISTIC AND INDEED THE GREEK AMBASSADOR SAYS THAT NO DATES HAVE BEEN FIXED FOR THE RETURN VISIT. THE AMBASSADOR DESCRIBES THE AGREEMENT TO A TREATY

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cc: Angela Gillon
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(020/12). *Kath.*

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AS NO MORE THAN A DECLARATION OF INTENT WHICH IS LIKELY
TO TAKE SOME CONSIDERABLE TIME TO COME ABOUT. WE UNDERSTAND
THAT A TREATY OF FRIENDSHIP AND COOPERATION WITH PORTUGAL
WAS SIGNED IN 1975.

MCKEARNEY

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Mr THOMAS
Mr RATFORD

THIS TELEGRAM
IS FOR MR. T
FBI WASH D.C.

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Miss Douglas (SED)

As promised - I wonder
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S Gass Esq
ATHENS

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INDEX

Dear Simon,

GREEK/ALBANIAN RELATIONS

1. Thank you for copying to us your letter of 11 July to Janet Douglas in SED. We are very interested in the development of Albania's relations with its neighbours; and Greece is clearly in the forefront of this process since the set-back in relations with Italy over the asylum-seekers. Any shifts in Albania's foreign relations are of course relevant to prospects for our own bilateral relationship. It will for example be interesting to see how flexible the Albanians are prepared to be on the sequestration/compensation issue.
2. I was under the impression that we had responded to your request for material on UK-Albanian relations in Christopher Hulse's letter of 26 September. The intention had been to send an up-date for your own information; but there is nothing on the file to confirm that this was done. If we failed to respond, I apologise. In fact there was (and is) very little to report. Three rounds of talks were held with the Albanians in 1985, the last in July. Although the atmosphere was good and some progress was made on marginal issues, the talks came to a standstill over Albanian insistence on delivery of 'their' gold before negotiations could begin on our claim for compensation for the Corfu Channel incident and their claim for interest on the gold. (Monetary gold does not of course yield any interest). We await some modification of the Albanian position which would permit talks to resume; and for the time being at least are leaving it to them to propose a further round. The content of the negotiations has been kept strictly confidential, and in talking to the Greeks you should not go beyond confirming that talks have taken place; that these have covered the questions of the Albanian gold and the Corfu Channel claim; and that the talks have not been abandoned but that no date has been set for the next round.

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3. May I also take this opportunity to thank you for your reporting on the Greek attitude to the Macedonian question. We have followed with interest the correspondence on this hardy perennial between you, Sara Hughes in Belgrade, and Mark Etherington in Research Department.

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1963
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(MPC)
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Yours ever,

David

D C A Madden
Eastern European Dept

cc Miss S Hughes, BELGRADE
Mr Banks, Research Dept
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Angela Gillon
(R.D)
15/7.

R.R (020/12).

also could I see the
memorandum at X with
this letter. Thanks.

(2)

British Embassy
ATHENS

11 July 1986

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Miss J E Douglas
Southern European Department
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Dear Janet,

GREEK/ALBANIAN RELATIONS

WSG 020710 (1985)

(3)X 1. Over the last two years we have endeavoured to keep you up to date with the state of Greece's relations with Albania. Christopher Hulse's letter of 26 September 1985 to David Madden, EED (to which we have had no reply yet) reported the outstanding problem of the theoretical state of war between the two countries. There have been developments.

2. During Mr Papandreu's visit to China in April of this year the Greek Government announced its intention to abrogate the state of war between Greece and Albania. You will recall that until now attempts to achieve this aim have foundered on the issue of compensation to the Albanians for Albanian-owned property sequestered upon the outbreak of war in 1940, and also upon the condition of the ethnic Greek minority in Southern Albania (Northern Epirus). Some progress appears to have been made, however, during the visit to Albania of Costas Georgiou, Secretary-General at the Ministry of Foreign Affairs, to Tirana from 1 - 5 July.

3. Following the visit, the MFA issued a statement saying that Albania welcomed the Greek Government's intention to lift the state of war. This appears to reconfirm Greek intentions. Greece will proceed with a unilateral declaration of cessation of the state of war since the Albanians regard it as a purely Greek problem in which they themselves have no part. The Albanian announcement makes no reference to the question of compensation although Sotiropoulos, First Secretary in the Balkan Section of the MFA, tells me that negotiations are proceeding albeit slowly; it seems that the Albanians regard this matter as separate to the issue of the state of war.

4. The statement added that the Albanian Government "on the basis of relevant Albanian constitutional acts, would do its utmost so that the Greek minority may prosper and enjoy all rights...". Cynical observers in Athens have pointed out that this safeguard is pointless since what the Greeks claim is that abuse of the human rights of the minority is carried out within the terms of the Albanian constitution (eg. no exercise of religious freedom).

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5. As you will know, the policy of the present Greek Government is to improve relations with Albania in the belief that stronger ties between the two countries will give the Greeks a greater say in the treatment of the Greek minority. The Government is proud of the increase in the number of visitors in both directions and of the prospect of increased cultural exchanges - last year, for instance, two Greek professors undertook a series of lectures at the university at Argyrokastro. Sotiropoulos is realistic about the length of time needed to build a substantial relationship but the Ministry of Foreign Affairs clearly believes that salami tactics will eventually work to Greek advantage.

6. Proof of this appears to be contained in the announcement following Georgiou's visit to the effect that the two countries intended to sign agreements on the following topics:

- (a) radio and television networks (presumably this is in addition to the agreements signed in June 1984 (my letter of 10 July to Dominic Asquith));
- (b) the establishment of a ferry boat link between Corfu and Aghioi Saranta;
- (c) cooperation between the universities of Athens and Tirana to examine possibilities of undertaking joint archaeological programmes.

7. The two sides also agreed on increased cultural exchanges and the Albanians have invited Melina Mercouri and George Papandreu to visit. The Albanians also agreed to lift heavy prison sentences imposed on two Greek citizens in Albanian jails.

8. Nevertheless, not all Greeks agree that Greece should have closer relations with Albania. New Democracy continue to criticise the Government for failing to win guarantees of improvement in human rights for Greek Albanians. At the 24th Congress of Epirotes which took place recently in the United States at the end of June, the Greek Government's decision to lift the state of war was described as an act of treason.

... 9. I enclose a list of those Albanian officials whom the Greek delegation are reported to have encountered.

Yours ever,
Simon Gass

cc: EED, FCO
Chancery Belgrade

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